bulletin number
5

OHWZ
306.48
059DE/Mr

municipal recreation bulletin

Ministry of Community and Social Services

Youth and Recreation Branch

Financing municipal recreation

The financing of the municipal program of recreation is a major continuing concern of the municipal recreation committee. The committee will present to council its proposed program and an outline of the revenues needed to carry it out. The committee is responsible for administration of the program and control of the budget.

Sources of revenue

Municipal taxes are the main source of support for all municipal services. The municipal council allocates money in its budget to assist in carrying out a recreation program.

Donations for general or specific recreation purposes may be solicited and accepted. However, the recreation committee should not commit itself to any action or program inconsistent with its terms of reference or with its approved policies.

Registration or admission fees are commonly charged. Participants in activities may be asked to pay an amount calculated to cover costs or to produce a small profit margin.

Money-raising projects such as family memberships, refreshment booths, special events or door-to-door canvassing are other sources of revenue.

Rental charges for facilities operated by the recreation committee on behalf of the municipal council can help to meet maintenance costs. Care should be taken that this practice does not bar community groups from the facilities.

Administration and control of the budget

A budget is a statement of the services and programs to be offered during the current year, including detailed estimates of the costs.

It is the responsibility of the municipal recreation committee to prepare and submit annually to council at the time required its estimates and the program proposed. Each item of expenditure or revenue should cover the fiscal year, January 1 to December 31. The complete budget statement usually shows in parallel columns:

(a)
estimated revenues and expenditures of the previous year,

(b)
actual revenues and expenditures of the previous year,

(c)
estimated revenues and expenditures of the current year.

Detailed explanations are usually given for increases or decreases. Special statements must support any increase of an appropriation beyond the normal growth rate, or the proposal of any major capital expenditure for building or renovation.

The municipal council may accept the proposed budget of the recreation committee or it may return any proposal asking for revisions, or council itself may make revisions.

In co-operation with the municipal treasurer's office, the recreation committee should prepare quarterly reports to compare actual revenues and expenditures with those estimated. These quarterly reports keep both the municipality and the committee aware of the budget position. Revenues as well as expenditures should be reviewed throughout the year. Any falling-off in anticipated revenues requires a corresponding reduction in expenditure to balance the budget. Any change in the budget requires the approval of council.

An emergency might require over-expenditure of a particular budget item. Commitment for such expenditure may be incurred only with prior approval of the municipal council. The municipal recreation committee should submit a formal resolution to council for payment of the over-expenditure. A formal resolution should also be submitted to council when the committee wants to transfer funds from an under-spent item to one that is expected to be over-spent.

Detailed financial records should be maintained to provide for monthly checks on costs and for control over the approved allocations. Adequate records also provide the information needed for developing future budgets.

Municipal procedures

The budget or estimates of the municipal recreation committee should be presented to council by the chairman of the committee, who may be accompanied by the other members of the committee and by the recreation director. He should be prepared to report on what has already been accomplished as well as future plans.

The municipal recreation committee is not a corporate body and, therefore is not entitled to own either property or capital equipment. It may not make contract agreements in its own name, nor may it incur liability or debt beyond those items of expenditure in its current budget which has been approved by council. The committee at all times is the agent

of the municipal corporation and the authority vested in the committee is that which is contained in the by-law of council establishing it.

The municipal recreation committee has no authority to keep a bank account and, consequently, any money received must be promptly transferred to the treasurer of the municipality. The treasurer will deposit the money to the credit of the recreation committee in the municipality's bank.

All accounts due and payable in respect of the operations of the recreation committee, up to the date of regular meeting, should be assembled and presented to the committee for its approval. When the accounts have been formally approved for payment by resolution, the accounts, together with a certified copy of the committee's resolution approving them, should be forwarded to the treasurer with the request that they be paid.

Financial records of the municipal recreation committee are audited by the auditor of the municipality. Following this audit the annual financial report and Department of Education application for grants forms should be completed, signed and submitted.